ADVANCED SYSTEMS AUTOMATION LIMITED
(Company Registration Number: 198600740M)
(Incorporated in the Republic of Singapore on 10 April 1986)

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE REGULATION ("SGX REGCO")

The board of directors (the "**Board**") of Advanced Systems Automation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 20 August 2026 and 25 August 2026 in relation to the responses to SGX queries, the incorporation of LSO entities, the auditor not seeking re-appointment at the AGM for FY2025 and the disclaimer of opinion in the financial statements for FY2025 (collectively "**Previous Announcements**").

The Company has, on 27 August 2026, received queries from SGX RegCo in relation to the Previous Announcements and wishes to set out the responses to SGX RegCo's latest queries below.

For completeness, the Company also wishes to refer to its announcement of the Annual General Meeting for FY2025 and the issuance of its Annual Report 2025 released on SGX Net on 27 August 2026.

Query from SGX RegCo:

The Board has stated that the Company's going concern assessment is based on, among others, projected sales, the proposed disposal of the LSO Group, debt-to-equity arrangements, settlement agreements, debt-management measures and reconstruction of records. However, the external auditor was unable to obtain sufficient appropriate audit evidence regarding key assumptions supporting the assessment. Accordingly, the external auditor was unable to conclude whether the use of the going-concern basis was appropriate.

Please disclose:
(I) the Group's latest cash position.
(II) the principal assumptions underlying the Board's going concern assessment;
(III) the expected timing and quantum of the key cash inflows relied upon;
(IV) the Group's material liabilities and obligations falling due within the next 12 months, including any material overdue obligations, statutory demands, creditor claims and repayment obligations;
(V) the extent to which the Board's assessment depends on the successful completion of transactions, funding arrangements or other measures that have not been completed or remain subject to conditions, and the basis upon which the Board considers such assumptions reasonable;
(VI) the basis upon which the Board concluded that the Group remains a going

concern notwithstanding:
(a) the disclaimer of opinion issued in respect of FY2024;
(b) the Group's net current liability position;
(c) its outstanding claims and repayment obligations; and
(d) its reliance on transactions and other measures that have not been completed.
(VII) how the proposed LSO disposal supports the Group's liquidity position and going concern assessment; when the consideration is payable entirely in PT Sumber shares, including whether the shares will be subject to any lock-up, liquidity, transfer or disposal restrictions; and
(VIII) the status of payments under the ASTI settlement, including whether the S$400,000 and agreed interest due by 1 September 2026 will be paid when due and the consequences of any default.

Company's Response:

(I) The Company is principally a holding company. The Group's principal operating activities and income-generating businesses are carried on through its operating subsidiaries, including Emerald Precision Engineering Sdn. Bhd. ("**Emerald**"), Pioneer Venture Pte. Ltd. ("**Pioneer**") and Yumei Technologies Sdn. Bhd. ("**Yumei**"). Accordingly, the Board assesses the Group's liquidity and going-concern position by reference to the financial resources, operating cash flows, assets and liabilities of the Group as a whole, while recognising the separate legal personality of each subsidiary.

As at 31 December 2025, the Group's cash and cash equivalents were S$1.458 million. As at 31 August 2026, being the latest practicable date prior to this announcement, the Group's aggregate cash and cash equivalents were approximately S$1.344 million.

For completeness, the Group's cash resources are held predominantly within its operating subsidiaries and fluctuate in the ordinary course as customer receipts are received and operating liabilities are paid.

(II) The Board's views and justifications supporting the Company's going concern status are anchored on several key operational and financial assumptions, strategic measures, and active debt-management steps, that include:

- improving performance and sales projections from the Group's operating subsidiaries, such as Emerald, Pioneer and Yumei;
- asset disposals and major transactions such as the implementation of planned major corporate moves designed to streamline operations and inject liquidity—such as the proposed disposal of the LSO Organization Holdings Pte. Ltd. ("**LSO Target Group**");
- corporate and capital restructuring, eg. the execution of debt-to-equity arrangements, debt settlement agreements, and other capital-strengthening exercises (eg. conversions of the rights-cum-warrants issue and new redeemable convertible notes application, etc.) to clean up the balance sheet;
- debt stays with major creditors, such as note subscribers, shareholders, LSO vendors and professionals;
- settlement agreement with ASTI Holdings Limited
- active management of claims to mitigate immediate liquidity shocks, eg. from the statutory demand received from Zico Capital Pte. Ltd.
- rebuilding records by the management and external professionals to reconstruct financial records and fulfill documentation requests, and
- internal audits and new hires to stabilize corporate governance and ensure transparent reporting going forward, among other measures.

(III) The Board's updated 12-month cash-flow model comprises: (a) a Base Case, which includes recognition of value attributable to the proposed LSO Disposal; (b) a Sensitivity Case, which excludes the proposed LSO Disposal entirely; and (c) a Phased Realisation Case, which assumes only partial realisation of value from the proposed LSO Disposal.

The Board has resolved that the Sensitivity Case is the more robust basis for its going-concern assessment because it does not depend on completion of the LSO Disposal or on the liquidity of the SMKM consideration shares. Under the Sensitivity Case, the principal cash inflows relied upon are ordinary-course operating receipts generated by the Group's operating subsidiaries, principally Emerald, Pioneer and Yumei.

The principal operating cash inflows forecast relied upon are as follows:

Source	**Forecast period**	**Approximate quantum**	**Basis**
Emerald	Sep 2026 – Dec 2027	S$15.5 million	Operating receipts based on current order book / management forecast
Pioneer	Sep 2026 – Dec 2027	S$4.67 million	Operating receipts based on current trading activity / management forecast

The Base Case and Phased Realisation Case are supplementary scenarios only. For avoidance of doubt, the proposed LSO Disposal does not provide a cash inflow of S$13.0 million upon completion. The consideration is up to S$13.0 million, subject to an independent valuation, and is payable by the issue of shares in PT Sumber Mas Konstruksi Tbk ("**SMKM**"). Any eventual cash realisation would depend on the timing and extent to which those shares can subsequently be monetised, subject to market conditions, liquidity, applicable restrictions and regulatory requirements.

(IV) The material liabilities and obligations for the Group* falling due during the 12-month period from September 2026 to September 2027 include the following:

Obligation	**Amount**	**Timing / status**	**Remarks**
ASTI settlement	Approx. S$1.5 million	Next instalment is on 1 July 2027	Part of the S$6.0 million settlement schedule; FY2026 payment obligations were satisfied on 28 August 2026.
ZICAP statutory demand	S$643,534 principal/ claimed amount plus interest and/or costs as applicable	Disputed; subject to ongoing court proceedings	No admission of liability. The Company has commenced proceedings challenging ZICAP's entitlement to rely on the statutory demand.
Outstanding professional fees	S$1.083 million aggregate material amount	Various / overdue / under discussion	Certain amounts are subject to proposed instalment, restructuring and/or debt-to-equity arrangements which are not yet finalised.
LSO deferred acquisition consideration	S$4.09 million	Subject to financial undertaking / subordination	Deferred by the LSO vendors pursuant to the relevant financial undertaking; exact current due date to be confirmed.

RCN	S$2.3 million	Stay of enforcement currently to 15 October 2026	Further extension / restructuring remains subject to agreement or implementation of the relevant financing arrangements.

**Refer to NTA 18 & 19 in the Annual Report 2025.*

The Board has not treated any unagreed deferral as legally binding. Where the cash-flow model assumes that an obligation will be paid outside the 12-month forecast period, that assumption is separately reviewed against the underlying contractual position and the status of discussions with the relevant creditor.

(V) The Board does not regard any proposed funding, restructuring, creditor, disposal or debt-equity measure as completed or unconditional where material documentation, approvals, negotiations or other conditions remain outstanding. The going concern assessment is based on the combined effect of the restructuring, funding, cost-control, revenue-enhancement and liability-management measures taken collectively, rather than dependence on any single transaction or source of funding. The Management is required to report material changes in the status of any such measure to the Board and to update the cash-flow assessment where a material assumption ceases to be reasonably supportable.

(VI) The Board has considered the FY2024 and FY2025 disclaimers of opinion, the Group's net current liability position, its outstanding claims and repayment obligations, and the fact that certain restructuring and funding measures remain incomplete or conditional. The Board acknowledges that these matters give rise to material uncertainties and that the external auditor was unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the going-concern basis.

Notwithstanding those uncertainties, the Board and Management remain of the view, based on the information currently available and considering the relevant measures collectively, that the Group and the Company are able to continue as going concerns. This is the Board's and Management's own assessment and does not alter the external auditor's disclaimer or inability to form an opinion on the appropriateness of the going-concern basis.

In reaching that view, the Board has relied on several key operational and financial strategies to manage liquidity and obligations:

- Operational cash flow projections: The Board's assessment is underpinned by cash flow forecasts indicating that the Group's core operating entities—specifically within the equipment contract manufacturing segment—will generate sufficient positive operating cash flows to sustain the business and the Group over the foreseeable future.

  In particular, Emerald is a directly wholly-owned subsidiary of the Company, and for FY2025 it recorded revenue of approximately RM31.98 million, profit after tax of approximately RM5.07 million and positive operating cash flow of approximately RM6.87 million. Emerald's FY2025 financial statements were audited with an unqualified opinion;

  For Yumei, The Board noted positive developments in the ongoing restructuring and proposed divestment of the Yumei Group.

- Deferment of acquisition consideration: The repayment of approximately S$4.09 million owed for the acquisition of the LSO Group (originally due on 1 February 2025, six months post-completion) was successfully deferred by management to a date extending beyond the next 12 months.

- Contestation of disputed claims: The Company is actively contesting the statutory demand by Zico Capital Pte Ltd. Because the company disputes these liabilities as arising from contested transactions, no immediate cash outflow has been factored into their short-term cash flow forecasts.

- Debt Restructuring and stay agreements for matured notes: For the S$2,300,000 in redeemable convertible notes ("RCN") that matured on 31 October 2024, management secured a formal debt settlement agreement. The note holder agreed to stay enforcement, refrain from demanding immediate payment, and delay legal action pending future note issuances or agreed extensions until 15 October 2026.

  The Board will continue to monitor the Group's liquidity closely and will reassess its going-concern assumptions if any material operational, creditor, funding or transaction assumption changes.

(VII) The proposed disposal of the Group's 100% subsidiary, LSO Organization Holdings Pte. Ltd. ("LSO Target Group"), to PT Sumber Mas Konstruksi Tbk ("SMKM") for a minimum consideration of S$13 million impacts the Group's liquidity and going concern assessment through the following mechanisms:

(a) Offloading Net Liabilities: the Group would cease or materially reduce the continuing operating, administrative and funding requirements associated with maintaining the LSO business;
(b) Balance Sheet Restructuring: the disposal is expected to improve the Group's balance-sheet position by removing the relevant LSO assets and liabilities and replacing them with the consideration shares, subject to the final valuation and accounting treatment.
(c) Monetization Potential: Because the consideration is satisfied via shares in an entity listed on the Indonesia Stock Exchange, the Group gains flexibility. While the Group intends to retain a portion of the consideration shares as a strategic investment, it can selectively monetize or dispose of others over time to raise vital working capital, settle outstanding payables, and service debts.

Notwithstanding the above, the Board and Management do not assume the entire value of approximately S$13.0 million will necessarily be capable of being converted immediately into cash, noting that timing and realisable value may be affected by prevailing market prices, trading volumes and liquidity in SMKM shares, any applicable moratorium, lock-up or disposal restrictions, regulatory requirements and foreign-exchange movements. The proposed disposal of the LSO Target Group is, thus, regarded by the Board and Management as part of their broader corporate restructuring and asset-realisation strategy.

(VIII) The Board wishes to refer to the Company's announcement dated 29 August 2026 in relation to the update on the settlement with ASTI Holdings Limited. On 28 August 2026, the Company has made the full payment for the first instalment of $1.03 million to ASTI, including interest, thereby satisfying its payment obligations owed to ASTI for the financial year ended 31 December 2026 ("**FY2026**") under the relevant settlement agreement.

BY ORDER OF THE BOARD
ADVANCED SYSTEMS AUTOMATION LIMITED

CHNG HEE KOK
Non-Executive Chairman
2 September 2026

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*This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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